

# **NEW HAMPSHIRE STATE LIQUOR COMMISSION**

## **MINUTES OF MEETING – JULY 26, 2006**

**PRESENT:** Commissioners John Byrne and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Randall Avery, Deputy Chief of Enforcement; Steven Slovenski, Legal Counsel; Evie Taft, Human Resources Administrator; Kathleen McCabe, Director of Purchasing; Richard Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; George Tsiopras, Chief Financial Officer; John Larochelle, Assistant Director of Store Operations. **Guests:** Al Picconi, Southern Wine & Spirits of N.E., Inc.

**EXCUSED:** Chairman Anthony Maiola; Craig Bulkley, Bureau Chief of Administrative Services; Howard Roundy, Director of Information Technology; Peter Engel, Director of Store Operations.

### **I. FINANCIAL & ADMINISTRATIVE REPORTS**

#### **1. Financial Reports**

##### **A. Weekly, Year-to-Date Sales Reports:**

Total Sales for the week ending July 23, 2006 increased by 2.75% or \$241,359 for the weekly comparison, and also increased for the year by 5.54% or \$1,555,053.

##### **B. Budget/Administrative Reports:**

George said that commitment to the new state computer project will entail significant time. He will distribute information on this as it becomes available.

Accounting is presently working on a contract for striping the store parking lots. He suggested that the Commission approve the second choice vendor if the contract for the first one does not work out. Per inquiry from Commissioner Russell, George explained what will be involved in this project and why it will take so much time.

There will be a presentation on the budget tomorrow, and then the Commission will be gearing up for the operating budget. This process will move along rather quickly once it gets started. George suggested that if there are specific needs, quotes and other information should be gathered as soon as possible. After an initial meeting next week, more guidance on this subject will become available.

#### **2. IT Report – No report.**

3. Human Resources Report

Evie reported there are two overdue evaluations for Enforcement, two for the stores and one for headquarters.

**II. MARKETING & SALES REPORTS**

1. Store Operations

John Larochelle reported that all the stores are up and running with no problems at this time.

2. Purchasing Report

Kathy distributed the latest out-of-stock warehouse report.

3. Merchandising Report

A. SPIRITS:

1) Test Market Products:

a. Test Market Request (Ultimat Black Cherry Vodka):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission deny a request from Southern Wine & Spirits of N.E., Inc./Adamba Imports for a new test market listing for Ultimat Black Cherry Vodka, 750ML size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Test Market Request (Baileys Mint Chocolate & Caramel):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Southern Wine & Spirits of N.E., Inc./Diageo North America for new test market listings for Baileys Mint Chocolate, 750ML size (assigned new Code #8511) and Baileys Caramel, 750ML size (assigned new Code #8517), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. Test Market Request (Feeney's Irish Cream):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Southern Wine & Spirits of N.E., Inc./Monsieur Henri for a new test market listing for Feeney's Irish Cream, 750ML size (assigned new Code #8585), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

d. Test Market Request (Burnetts Citrus & Raspberry Vodkas):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission deny a request from Southern Wine & Spirits of N.E., Inc./Heaven Hill Distillery for new test market listings for Burnetts Citrus Vodka and Burnetts Raspberry Vodka, 1.75L sizes, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

e. Test Market Result (Code #5102):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the delisting of Code #5102, Dr. McGillicuddys French Kiss Vanilla, 375ML size (added size listing), as it failed to achieve the gross profit required for full distribution at the conclusion of a six-month test market period, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) One Time Buy Request (5 scotches – So. Wine & Spirits):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission deny a request from Southern Wine & Spirits of N.E., Inc./Speyside Imports for the Commission to conduct a one-time purchase of Glenlivet 1977, Royal Brackla 1976, Bruichladdich 1990, Bannahabhain 1988 and North of Scotland Single Grain scotches, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Jack Daniels Show Car:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Horizon Beverage Company/Brown Forman Corporation to conduct an on-site promotion with the Jack Daniels show car on Friday, September 15, 2006 at Store #38 Portsmouth

from 10:00 a.m. to 1:00 p.m. and at Store #66 Hooksett from 3:00 p.m. to 6:00 p.m., as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

4) Jim Beam August Display Contest:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that a request from Southern Wine & Spirits of N.E., Inc./Future Brands to conduct an August store display contest in conjunction with Jim Beam brands be removed from the agenda and referred back to the Marketing department pending further negotiations with the broker/supplier. The motion was unanimously adopted.

5) September E-Coupons:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve September e-mail coupons for six (6) spirit items, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

6) September Special Offers (1 electronic item – So. Wine & Spirits):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a special offer submitted electronically from Southern Wine & Spirits of N.E., Inc., based upon depletions for one (1) spirit item to be featured on sale during September 2006, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

1) September Special Offers:

a. 9 electronic items – R.P. Imports:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from R.P. Imports, based upon depletions/special purchase allowances for nine (9) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. 7 electronic items – Charles Zoulias:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from Charles Zoulias, based upon depletions/special purchase allowances for seven (7) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- c. 35 electronic items – M.S. Walker, Inc.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from M.S. Walker, Inc., based upon depletions/special purchase allowances for thirty-five (35) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- d. 20 electronic items – Executive Wine & Spirits:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from Executive Wine & Spirits, based upon depletions for twenty (20) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- e. 85 electronic items – Martignetti Cos. of N.H.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from Martignetti Companies of N.H., based upon depletions/special purchase allowances for eighty-five (85) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- f. 15 electronic items – Horizon Beverage Co.

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from Horizon Beverage Company, based upon depletions for fifteen (15) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- g. 45 electronic items – Southern Wine & Spirits of N.E.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted electronically from Southern Wine & Spirits of N.E., Inc., based upon depletions for forty-five (45) wine items, to be featured on sale during September 2006, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 2) October Gift Card Reward:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the October Gift Card Reward program scheduled for October 2006 be addressed in non-public session. The motion was unanimously adopted.

- 3) Close Outs:

- a. 16 codes – Martignetti Cos. of N.H.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve close-out wine pricing for sixteen (16) wine codes submitted by Martignetti Companies of N.H., as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. 23 codes – Southern Wine & Spirits of N.E.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve close-out wine pricing and floor stock adjustment for twenty-three (23) wine codes submitted by Southern Wine & Spirits of N.E., Inc., as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

4) Martignetti Buy 2 Get One Free – October 2006:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Martignetti Companies of N.H./Pepperwood Grove to conduct a “Buy 2 Get One Free” promotion featuring four Pepperwood Grove wine items during October 2006, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

5) Purchase & Display Bianchi:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Southern Wine & Spirits of N.E., Inc./Bianchi wines for the purchase and display of Code #44061, Cabernet Sauvignon, Code #44063, Malbec and Code #44070, New Age White, 750ML sizes during September and October 2006, but deny the purchase and display of Code #44062, Chardonnay/Semillon and Code #44064, Syrah, 750ML sizes, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

6) Store Tastings:

a. 5 codes – CCPC World Wide Ventures:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from CCPC World Wine Ventures to conduct an in-store tasting featuring five (5) wine codes on Friday, August 11, 2006 from 3:30 p.m. to 6:30 p.m. at Store #76 Hampton North, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 5 codes – Uncorked:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Uncorked to conduct in-store tastings featuring five (5) wine codes on nine days during August and September 2006 from 4:00 p.m. to 7:00 p.m. at six designated stores, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 7) Primary Source Submissions (1 item – exclusive agent; 13 items – imported):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the listing of one (1) wine code which is offered by the exclusive marketing agent and thirteen (13) wine codes which are imported, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

**III. ENFORCEMENT & LICENSING REPORT – No report.**

**IV. CHAIRMAN’S REPORT & LATE ITEMS**

1. Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve all previously reviewed requests for bailment releases/transfers dated July 20 through July 26, 2006. The motion was unanimously adopted.

2. Coupon Approvals:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve all previously reviewed coupon (pad, necker and consumer offer) requests for August 2006. The motion was unanimously adopted.

3. Late Items/Other: None.

**V. EXECUTIVE SESSION**

The meeting was adjourned at 1:15 a.m., and the Commission voted to enter into non-public session.

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John W. Byrne, Commissioner

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Patricia T. Russell, Commissioner

/D. Hartford



